

EXCHANGE:
Closing Quotations:
T.T. London 2a. 41/4d.
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The Hongkong Telegraph

(ESTABLISHED 1881.)

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WEATHER FORECAST
OVERCAST
Barometer 30.03.

February 7, 1917. Temperature 6 a.m. 59 2 p.m. 69
Humidity 87 75

February 7, 1916. Temperature 6 a.m. 61 2 p.m. 61
Humidity 85 93

7580 日六十一

WEDNESDAY, FEBRUARY 7, 1917.

三月七日二英香港

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836 PER ANNUM.

TELEGRAMS.

[Reuter's Service to The "Telegraph."]

GERMANY AND NEUTRALS.

PRESS THREATS TO EUROPEAN NATIONS.

THE LATEST DEVELOPMENTS IN AMERICA.

London, February 5. A message from Stockholm states at a conference of the Centre and National Liberal leaders, held on January 31, Dr. von Bethmann Hollweg stated that the German Admiralty had calculated that the world's tonnage had reached a minimum under which the Entente could not long continue the war, and that, if unrestricted submarine warfare were to be successful, it must succeed before America could participate effectively. If it did not succeed in forcing Britain to make peace, American participation would not greatly matter, since she could not send an Army to Europe without incurring the transport of supplies to the Entente Armies. The people's only fear was that American warships would help to combat Germany's submarines.

Dr. von Bethmann Hollweg concluded by saying that the situation in Germany was such that ruthless submarine warfare was the only alternative to destruction.

German Press Comment.

London, February 6. The *Berliner Tageblatt* and the *Vossische Zeitung*, German Liberal organs, threaten European neutrals with dire consequences if they follow President Wilson's example. They state that Germany, in any case, will ignore neutrals.

The reactionary *Kreuz Zeitung*, which formerly was notorious for demanding ruthless Zeppelin warfare on non-combatants, now pleads that Germany is only fighting for her women and children.

The clerical *Koedische Volks Zeitung*, in a wild outburst, professes joy at the rupture with America, but wishes that President Wilson could be acquainted personally with the privations of the whole people.

Holland Demands Explanations.

London, February 6. According to Reuter's correspondent at the Hague, Holland has demanded explanations from Germany of the sinking of the Gamma.

America on the Alert.

London, February 6. According to Reuter's correspondent at Washington, President Wilson has conferred with the Secretaries of War and Navy in order to expedite legislation empowering them to take over shipyards, munition plants, etc.

A Bomb Found.

London, February 6. Mr. Malone, a Customs Collector in New York, reports that he found a bomb on his doorstep.

Proposed Coalition Cabinet.

London, February 6. Already there is some talk of the formation of a Coalition Cabinet in America, on British lines. Democrat and Republican leaders are conferring at Washington.

Mr. Taft and Mr. Root are regarded as certain to be included.

Naval Movements Not Reported.

London, February 6. A noteworthy innovation in American Press methods is that the newspapers have ceased the publication of naval movements.

10,500,000 Americans Available for Service.

London, February 6. A New York message says the Committee of National Defence estimates that ten and a half millions of Americans are available for military service.

Neutrals Coming into Line.

London, February 6. Movement among neutral European nations seems to be crystallizing under the leadership of Spain, but the process is naturally slow.

It is reported that Holland, Switzerland, and Scandinavia have already agreed to take over the American relief work in Belgium.

An Important Aspect.

London, February 6. According to Reuter's correspondent at New York, the *Evening Sun* refers to an important aspect of the situation when it says:—"We must remember that the Allies, militarily, are far ahead of us. All they need is shot and shell, and, if we decide to fight, do not let us compel them to mark time on that account while we are building up a great Army. That would be Germany's salvation."

It finally urges that the United States should help the Allies to the last ounce, especially financially, as soon as war is declared.

Discordant Notes.

London, February 6. Regarding the discrepant tones from Germany, one semi-conciliatory and the other defiant, Germany seems anxious to avoid a rupture between herself and European neutrals, which are equally anxious to avoid war with such a close and threatening neighbour.

Germany has already made some slight concessions to Holland and is throwing out hints of others, especially as regards supplies of essential coal and iron from England.

Germany has lost little appearance of yielding to America, and she seems fully prepared to face the risk of hostilities with the United States and South American neutrals.

TELEGRAMS.

[Reuter's Service to The "Telegraph."]

GERMANY AND NEUTRALS.

Dutch Cabinet Councils.

London, February 6. According to Reuter's correspondent at the Hague, extraordinary Cabinet Councils are being held.

Resolving Dutch Declaration.

London, February 6. According to Reuter's correspondent at the Hague, speaking in the Second Chamber, the Premier said:—"Serious events occupy the Government's attention. We will give information as soon as expedient in the country's interests. There is no reason for special anxiety."

Americans Remain in Berlin.

London, February 6. Reuter's correspondent at Amsterdam says that Americans are not at present leaving Berlin.

Germany's Hope.

London, February 6. According to Reuter's correspondent at Amsterdam, the *Berliner Tageblatt* states that Herr Zimmermann told American journalists that President Wilson's decision had astonished and disappointed him. He denied that Germany had broken her promises, and expressed the hope that American shipping would avoid the barred zone.

What Germany Expects.

London, February 6. According to the Press Bureau, a Berlin wireless message says that Herr Zimmermann, in an interview, stated his regret at President Wilson's action, which was against all traditions of international law. "We appreciate and reciprocate President Wilson's desire to avoid hostile conflict, but, while we understand, to a certain extent, President Wilson's attitude, we expect him to recognize the reasons for prompting our decision."

Sinkings Off Brazil.

London, February 6. Reuter's correspondent at Vigo says a Dutch steamer landed on the 16th inst. victims of German attacks of ships off the Brazilian coast.

German Exchange Declines.

London, February 6. Reuter's correspondent at Berne states that exchange on Berlin has fallen four francs since February 2.

THE WESTERN FRONT.

German Trenches Penetrated.

London, February 6. A French communiqué says:—"The enemy, after a violent bombardment, attacked to the north-west of the forest of Parroy, in Lorraine. A detachment penetrated our first line trenches, but was immediately driven out.

Our reconnaissances, after artillery preparation, penetrated the German trenches at three points in the region of Aepach, north-west of Altkirch, in Alsace. They wrecked enemy works, destroyed dug-outs and returned without loss.

ATTACKS ON THE ITALIAN FRONT.

London, February 6. An Italian wireless official message says:—"Enemy surprise attacks in the darkness and fog against advanced positions in the Garda, Trivignano and San Pellegrino Valleys, Central Isonzo, and also at a point south-east of Gorizia, failed with heavy losses."

FOOD SCARCITY IN HOLLAND.

Shops and Coal Carts Plundered.

London, February 6. Reuter's correspondent at Amsterdam says there is a great scarcity in coal, paraffin and potatoes in Holland.

There was a big demonstration against the food shortage at Rotterdam yesterday, grocery shops and coal carts being plundered.

Hunger Demonstration.

London, February 6. Reuter's correspondent at Amsterdam says:—"A 'Hunger Demonstration' was held here yesterday."

THE RUSSIAN FRONT.

Failure of Enemy Attacks.

London, February 6. A Russian communiqué states:—"We repelled an enemy attack near the town of Risselin, midway between Vladimir-Volysk and Lutsk; also enemy attempts to the south-west of Brody."

TELEGRAMS.

[Reuter's Service to The "Telegraph."]

MOBILISING FOR VICTORY.

Young Men from Essential Industries.

London, February 6.

At a great National Service meeting, held at Westminster, Mr. Arthur Henderson, presiding, said that victory depended on the speedy mobilisation of all our resources.

Mr. Neville Chamberlain said that to secure victory in 1917 young and fit men must be taken for the Army from essential industries. Hence volunteers were essential immediately. They would be allotted to occupations for which they were best fitted. The minimum wage would be twenty-five shillings per week. The scheme would be applied to Ireland with modifications.

Mr. Lloyd George stated that we had sent fewer men to the Army and Navy in proportion to our population than any great Western Power. For instance, France had one man out of six in the Forces. But we were making a larger contribution otherwise.

He was sanguine that voluntary National Service would succeed, but if it failed, compulsion would be applied. The Government was entitled to ask every class to contribute all its resources to help the State in the fight for its life. Continuing, the Prime Minister stated that the nation must answer the German threat immediately, and, inter alia, we must build ships. We must demonstrate the futility of murder on the high seas. This could be done if the nation were organised. No man or woman had a right to look on while others were struggling. (Cheers).

Mr. Lloyd George paid a tribute to the goodwill and co-operation of the Trade Unions. He urged men and women to exert their whole strength to enable Britain to lead the nations arrayed to defend civilisation. (Loud cheer).

Mr. Hodge, Labour Minister, said everything possible would be done to make Mr. Chamberlain's scheme a success.

DUNKIRK HARBOUR BOMBED.

London, February 6.

A German official announcement states that a naval seaplane on the 3rd inst. bombed Dunkirk harbour works and started a fire in the sheds.

PROGRESS IN MESOPOTAMIA.

More Good News Reported.

London, February 6.

A Mesopotamia official message says:—"As a result of Saturday's success, the enemy has evacuated the whole of the south bank of the Tigris, east of the Hai-Tigris junction, which we now occupy.

The enemy to the west of Hai evacuated trenches as far as the line going west from the Liquorice Factory to north-west of the Tigris-Hai junction.

We have already counted six hundred dead as a result of Saturday's fighting.

THE PLOT ON MR. LLOYD GEORGE.

London, February 6.

In the Lloyd George conspiracy case the accused have been committed for trial at the Derby Assizes, which open to-morrow.

[In the event of telegrams arriving too late for insertion on this page they will be found on an Extra].

EARLIER TELEGRAMS.

TORPEDOING OF THE CITY OF BIRMINGHAM.

London, February 5.

The Admiralty states that the City of Birmingham, which was torpedoed without warning on November 27 when 126 miles from land, had a crew of 145 and 170 passengers of whom 90 were women and children. There was a heavy swell and the boats were lowered within ten minutes of the explosion. The Captain remained until the ship sank and was picked up later. The women were as calm as if they were going to meals and sang while in the boats. The doctor and three of the crew were presumably drowned.

TURKEY'S NEW GRAND VIZIER.

Amsterdam, February 6.

The Sultan of Turkey has accepted the Grand Vizier's resignation and Talaw Bey succeeds to the office. The war policy will be unchanged.

THE WESTERN FRONT.

London, February 6.

Field Marshal Sir Douglas Haig reports:—"We repelled three attempted raids on the Somme front. The local operation we carried out last night north-east of Goudecourt was entirely successful. We occupied 500 yards of trench and took prisoner 72. We repelled two counter-attacks and entered the lines last night at three points in the neighbourhood of Bouchavesnes, Pys and Grand-court. The enemy made four unsuccessful counter-attacks on the new front to the east of Beaucourt. Our positions were consolidated and we captured a further thirty-nine prisoners. A party which reached our lines north-east of Vertainnes was ejected. Three German aeroplanes were destroyed and six were brought down damaged. One of ours is missing.

A French communiqué says that a "coup de main" on Reichackerkopf resulted in the capture of a machine gun and sixteen prisoners.

(Continued on page 8)

NAVAL PENSIONS.

Some "Hardly Credible" Cases.

Sir Frederick Milner writes to the *Daily Chronicle* urging that it is a matter of vital importance that the administration of naval pensions should be in the hands of the new Pensions Minister and not left in the hands of the Admiralty.

Sir Frederick gives a number of "experiences" in support, and states that the Admiralty refuses to recognise consumption as pensionable. He quotes the case of a man in the Royal Naval Air Service, who developed tuberculosis and was discharged from the Navy with a gratuity of £2 5s. 6d. Formerly he had been a chauffeur earning £2 10s. a week and had never had a day's illness.

A man who served for years in the Navy was put on a mine sweeper, and had to sleep on wet decks. He was taken ill and invalidated out of the Service. "He was awarded the handsome pension of 8d. a day for six months, a total of £4 11s., when his pension stopped."

"The mother appealed for reconsideration, but no notice was taken, and I made an earnest appeal," adds Sir Frederick. "After a delay of many weeks, the Little Fathers of the Admiralty decided to allow him £2 12s. 6d. a week. He died at his work on the day that the pension of £2 6d. a week was awarded to him." Sir Frederick mentions two other cases "which are really hardly credible."

A man with twelve years' service was wounded in both legs at Gallipoli and discharged as no longer fit for the service. For two months he received nothing, and then he was awarded a pension of £8s. 7d. a week. The Post Office, by whom he was previously employed, found light work for him, whereupon the Admiralty intimated that he had been reinstated in Government service, his pension must be reduced to 5s. 10d. per week, and that he must pay back to the Admiralty the difference between £8s. 7d. and 5s. 10d. per week since he had been taken into Government service.

"They claimed altogether £16 15s. 2d. from the wounded man, which was, on protest, reduced to £9 7s. 7d. This is to be deducted at the rate of 3s. a week from his pension for 62 weeks. This is an outrage."

In the other case, a dockyard smith served thirty years, during which time first 3s. a week and then 2s. a week was deducted from his wages. He retired with the Imperial Service medal and a pension of £40 a year. When war broke out he worked at Woolwich Arsenal, but was told by the Admiralty that he could not draw his pension (which he had paid for) and receive Government pay. "His pension was suspended," adds Sir Frederick, "and he was ordered to pay back to the Admiralty that portion of his pension which he had drawn since he entered Woolwich."

"It appears that this abominable injustice and that in the other cases are justified by some old warrant of 1834. It is perfectly intolerable that such gross injustice should not long go on; have been repealed; but these benevolent Little Fathers seem to think it quite all right."

Sir Frederick also gives an instance where 1s. a week, which was due to a naval man who had lost an arm, was refused because the arm was not actually

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GENERAL NEWS

Chinese Banknotes

The Chinese Ministry of Finance has reiterated the order prohibiting the issue of notes by private banks and commercial houses without the sanction of the authorities. The Taoyin and the Prefect of Shanghai have received instructions to keep their eyes on those firms who had printed banknotes.

Ford Cars.

As a means of relieving railway congestion at Detroit—the railways being unable to take away Ford cars fast enough—the Ford Motor Works suspended operations from December 22 to January 3. Forty-two hundred employees of the works lost over \$1,000,000 in wages, and at the same time the company's production was reduced by approximately 25,000 cars.

Malaya Aircraft Fund.

Ipol, January 27.—The Times of Malaya announces that Mr. Ashworth Hope has donated \$2,250 towards the entire cost of the fighter Malaya No. 30 in connection with the Malayan Aircraft Fund. The fighter will be named the Ashworth Hope. It is expected that the Kuala Kangsar fund for an aeroplane and motor ambulance will be completed in a week or so.

Opium Stocks in Shanghai.

Peking, January 30.—The report that Vice-President Feng Kuo-chang has telegraphed to the Government suggesting that the latter should purchase the unsold opium stocks remaining in Shanghai has attracted considerable attention. The International Reform Bureau has circulated the Tientsin and Governors of the provinces, explaining the situation and earnestly requesting them to urge the Government not to purchase these stocks.—N. C. Daily News.

Japanese Copper for Italy.

According to the *Yomi*, copper refineries in Japan have received an order through London merchants for about 3,000 tons of electrolytic copper to be shipped to Genoa, and negotiations are now proceeding. It is said that this is the first time that an Italian order for electrolytic copper has been received by Japanese merchants. They are described, however, as being not very eager to undertake the order because of some anxiety regarding payment and the difficulty of securing the necessary tonnage for the Mediterranean.

Death of Popular Mukden Resident.

Mukden, Jan. 22.—Quite a gloom was cast over the foreign residents of Mukden on Wednesday the 17th instant, when it became known that notwithstanding the unfeeling skill and attention of the best available medical specialists and nursing talent, Mrs. Bunney, the wife of Mr. W. Slade Bunney, of the British-American Tobacco Co., had succumbed to heart failure supervening the birth of a still-born child. The deceased came out from England and was married to Mr. Bunney about twelve months ago.—N. C. Daily News.

The Late Prince Ching.

Peking, January 30.—A Presidential mandate says:—Yih K'ung, Prince Ching, a near relation of the Ching House, held long the councilorship of the Government. He was conspicuous for his ripe age and great reputation. Between the years of 1911 and Jan. (1912), when a change in the form of government was effected, it was due to his energetic support that a great deal was saved. In recent years, he enjoyed the pleasure of a retired life. We were expecting him to live much longer when, hearing of his demise, we are overcome with grief. Let Field-Marshal Ying Chang proceed to offer sacrifices before his spirit. Let \$10,000 be issued by the Ministry of Finance for his funeral expenses. All the district officials shall pay proper attention to his coffin when passing through their territory. Let an account of his life and works be handed to the China Historiography Bureau for his biography to be written. This is to show our desire to treat the venerable man with honour.

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GENERAL NEWS.

Shanghai Police War Effort. A cheque for \$2,682.68, proceeds of the S. M. Police Sports of Shanghai, has been sent to the Treasurer of the Shanghai Wounded Soldiers' Fund with a request that the amount be earmarked primarily for ex-members of the Shanghai Police Forces.

Who'll Get It Now?

The New York Times says: In anticipation of a tough time in Berlin Mr. Gerard took with him from New York four tons of food stored in the hold of the vessel. Some of this is now necessary in Germany, but a large quantity is to be held in reserve for an expected greater emergency.

Revolt of Yuonanese Troops, Chengtu, January 30.—The Yuonanese soldiers at Penghuan revolted, smashed open the Post-office, looted it and also the shops of several merchants. They then left the city. The reason given for their action is that they have not been paid for several months, and fears are expressed that other cities may suffer in a similar fashion for the same reason.

An Interesting Appeal.

It is reported in the Chinese Press that Hui Kok-king who was condemned to death and Soh Tchong-fang sentenced to fifteen years' imprisonment, by the native authorities for their connection with the assassination of Chen Chi-mei, have decided to appeal to a higher court. The case will come on for hearing at Szechow in February and already the appellants, the wife of Chen Chi-mei and other witnesses have arrived there.

Serious Fire at Osaka. On January 26 at about 8.20 p.m. a fire broke out at the K. jima printing-house in Osaka, and spread so rapidly as to endanger the Army Hospital quarters and the gendarmerie headquarters close by. The patients at the hospital, including 26 German prisoners, were removed elsewhere, and the troops of the Osaka Division were called out to combat the flames. Before the fire was got under control, shortly after 10 o'clock, part of the hospital and gendarmerie quarters were destroyed, besides the whole of the printing-office. The total damage is estimated at about Y200,000.

Alleged Defalcations at Kuala Lumpur.

In the Kuala Lumpur Police Court, Thomas de Silva, at present of the Kedah Government Service and late Financial Assistant in the F. M. S. Police Financial Department, was formally charged with criminal breach of trust as a public servant, Kuala Lumpur, in respect of \$11,000 or more. Detective Chief Inspector Wyatt applied for a remand to January 27, and suggested that bail be offered in the sum of \$20,000. The Magistrate granted the remand and directed that bail be offered accused in the sum of \$20,000 in two sureties. A Chinese clerk and a Tamil clerk who worked under Mr. de Silva while he was in the Police Financial Department have also been arrested, similarly charged, and given bail in the sum of \$10,000 each to come up when required.

Defence of the Realm. At home new regulations under this act have been issued, the first of which seems as if it duplicated what is already a criminal offence, "smashing," and the second was no doubt used in the case of the recent raid on the Field. It is constituted an offence to melt down, break up, or use otherwise than as currency, any gold coin which is for the time-being current in the United Kingdom or in any British possession or foreign territory. It is rendered lawful for the competent naval or military authority to enter any premises belonging to a person who has given, or failed to give, any information required under the Munitions of War Act, and, for the purpose of testing the accuracy of the information, to carry out such inspection, of books or otherwise, as he may consider necessary. Obstruction of any person in the exercise of these powers, or refusal to give information, will constitute an offence.

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NOTICES.

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	10	.50
Extra Fine (Grand Format)	50	2.35
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Yildiz	25	1.10
Club Size	10	.40
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All communications intended for publication should be addressed to the Editor.

Business correspondence should be sent to the Manager.

The rates of subscription to the "Hongkong Telegraph" will be as follows:—Daily issue—\$26 per annum. Weekly issue—\$13 per annum.

The rates per quarter and per month, proportional. Subscriptions for any period less than one month will be charged as for a full month.

The daily issue is delivered free when the addressee is accessible to messenger. Peak subscribers can have their copies delivered at their residence without any extra charge. On copies sent by post an additional \$1.80 per quarter is charged for postage. The postage on the weekly issue to any part of the world is \$1.00 per quarter.

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Advertisements and Subscriptions which are not ordered for a fixed period will be continued until countermanded.

(Payable in Advance.)

The "Hongkong Telegraph" is now on sale at, and will be delivered to subscribers by, the Dairy Farm Company, Ltd., Shamian, Canton, who have been appointed our agents there.

By Order, "HONGKONG TELEGRAPH."

The Hongkong Telegraph.

HONGKONG, WEDNESDAY, FEBRUARY 7, 1917.

FAVOURING THE FOREIGNER.

Renewed interest in German trade influence in Hongkong and South China generally is aroused by the publication of a timely book on the subject by Mr. D. K. Moss, who, by reason of his business experience in the Far East and his having been actively concerned in enemy liquidation work in the Colony, is well qualified to speak with authority on the matter. Our notice of the book will shortly appear. For the moment we mention it in order to comment on one of the many aspects of the question with which the author deals—the granting of financial facilities by British banks to foreign firms on a much more liberal scale than to our own business houses. This is a point concerning which a deal of local feeling has been felt, both before and since the war, and it is one which must be kept to the fore if we are to retain our position in the markets of the Far East.

Whatever may have been the value to Germany of the business operations of her trade representatives in this part of the world, there is no gainsaying the fact that her commercial foothold in China was obtained largely, if not solely, because of the long credit which German concerns invariably gave to native dealers. In that respect, British houses were always fighting the battle on unequal terms, and it is not a matter which can give rise to any sufficient gratification that the Germans were enabled to work that system to the manifest disadvantage of British trade by reason of the facilities granted them by British banking institutions. We have no concrete facts beside us on this point, but it can probably be said without departing far from the truth that all the big German houses formerly doing business in Hongkong were kept alive by British banks. Mr. Moss throws some light on this aspect of the situation when he states that the large stocks which the Germans held here were financed "almost entirely" by such banks, and when, in another place, he asserts that the Germans were not materially helped by their own banks, most of their business being done through British financial channels, with the help of private banking institutions in London. It can be argued, of course, that a large part of the business put through by German firms was British. That is true. But the point is that if these firms had not been kept alive in the manner we have indicated, they would have been unable to continue in our midst, and the Manchester, Bradford and other agencies which they controlled would pass to British hands.

But the past can well be left to take care of itself. Our concern is with the future. It is a fact which has caused much heartburning among the smaller British firms in Hongkong that in pre-war times the banks here were in the habit of doing for German houses what they would never dream of doing for the former, despite the fact that, in point of stability, the British concerns were resting on a far firmer basis than the German. Here we have a lesson for the days ahead. It is that, if any preference is to be given in future by British banks, it should always and ever be to British, and not to foreign, firms, whether the foreign interests be German or otherwise. Whether or not the Germans will, after the war, be permitted to return to Hongkong is presumably a matter which will be decided by the Imperial Government. We can only hope that the opinion of local British business men will be taken before that decision is arrived at. But, whichever way the question is disposed of, we can but express the earnest hope that the future policy of our banks will be in the direction of encouraging, rather than disheartening, those smaller British firms who already have difficulties enough to contend with, and who have been placed under a distinct handicap in the past because of the indefensible preferential treatment accorded to foreign concerns.

A Point Answered.

A most timely suggestion was made in our correspondence column yesterday by "Anglo-American," in regard to the possible use, in the defence work of the Colony, of the services of local Americans should a definite break occur between the United States and Germany. In passing, we should like to say a word or two on the correspondent's opening observation, in which he remarks that the Telegraph has not always been too lenient in its comments on the American Government and its people. It is certainly the case, that we have had occasion many times to express our opinions on the chilly-shillying policy followed for so long by President Wilson, and also on the huge profits which have been made by certain big American interests out of the war. In the stand we have taken we know that we have been reflecting the sentiments of practically all of the best type of Americans, who have been heartily sick of the interminable paper threats sent from White House but never acted upon. We have never concealed our opinion that the bulk of the American people deeply sympathised with the Allies' cause and have been yearning for an opportunity of showing that sympathy in a practical manner. And last, but not least, we have never, in our comments, used stronger terms of denunciation against the American Government than we have employed when taking notice of the shortcomings of the British Cabinet. The policy of the Telegraph is openly and fearlessly to speak its mind, whether the issue be local, Imperial or international.

Hongkong Americans.

Coming to the suggestion of "Anglo-American," we feel sure that all Britishers would heartily welcome the putting into effect, if it were practicable, of the proposal that young American citizens in Hongkong should, in the event of a declaration of war, be drafted into one of the Colony's auxiliary forces, or, in the alternative, be constituted an independent unit on the lines of the miniature Foreign Legion, formed in Paris by British and American subjects. There are very many neutrals in the Colony, in full sympathy with the Allied cause, who have keenly felt a desire to lend a hand in the military and police duties imposed on young Britishers. If in the past they have been debarred from putting their wishes into effect, we know that, when the opportunity occurs, they will gladly come forward. Our correspondent also advocates the extension of some such movement to other parts of the British Empire, and we would add the suggestion that it would be a fitting corollary if Britishers in the United States lent their aid to the authorities there in a similar manner. So far as the local aspect of the matter is concerned, we would suggest that when the final break comes between the United States and Germany—if it does come—the young Americans in Hongkong should, in a body, offer their services to the Government, who we feel certain, will most sympathetically consider their representations.

POLICE RESERVE ORDERS.

Orders issued to-day by Mr. F. C. Jenkin, D. S. P. (Reserve) state:—

Inspection, Saturday, Feb. 10.

The attention of all ranks is particularly drawn to Orders of February 6.

All exemptions, except those of the Surgeon Supt. only, will be disregarded, unless under Standing Order 87 (a).

Police School.

Monday, February 12.—Class III (Aspicioor Grant).

Tuesday, February 13.—Class I (Inspector Gerrard).

Thursday, February 15.—Class II (Aspicioor Gordon).

Strength.

P. O. 713 N. L. Watson is invalided out.

Medical Certificates.

The following is to be inserted in Standing Orders, page 40:—

"89 (d). All Sick Leave Certificates, whether granted under Standing Order 84 (a) to cover absence from Patrol Duty, or under Standing Order 89 to cover general absence are to be immediately communicated to the absentee's Warning Officer."

He was discharged.

The third defendant's excuse was that he thought the patient was suffering from fever and not small-pox.

His Worship imposed a fine of \$25.

DAY BY DAY.

WHAT A LOT OF TIME WOULD BE SAVED IF SOME OF THE TIME LOST IN HURRYING HADN'T BEEN WASTED.

The Dollar.

The opening rate of the dollar on demand to-day was 2s. 4d./16d.

To-morrow's Anniversary.

To-morrow is the 45th anniversary of the assassination of the Earl of Mayo.

China Mail S.S. Co.

The China Mail Steamship Co. is reported to have placed an order for three steamers with the Vancouver Shipyard, delivery in September.

Highway Robbery.

It has been reported to the Police that an highway robbery was committed at Nam Shui Wat, in the Ping Shan District, on February 5. A woman was proceeding along the road, when she was seized by four men, two of whom were armed with a chopper and an iron bar, who robbed her of money and jewellery valued at \$171.40.

Hongkong Theatre.

The last two episodes of the "The Mysteries of the Grand Hotel" were shown at the Hongkong Theatre last night, and to-night there is a change of programme. Next Saturday the popular American serial "Peg o' the Ring" will begin at this theatre. It consists of fifteen episodes, the first two of which will be shown on the opening night.

A Benefit Matinee.

The promotor of the benefit matinee on behalf of the funds for a Portuguese School in this Colony begs to thank his thanks to the Management of the Hongkong Theatre for their generosity in giving the whole of the proceeds to the said fund; to Professor Goossens and his staff of the Orchestra; to the following gentlemen attending the sale of tickets, Messrs. A. A. d'Almeida, F. J. da Luz, S. Monteiro, and E. L. S. Alves, especially to Mr. J. O. d'Almeida who had organised the staff; to the Committee of the Lusitano Club for the load of flags; and to the public for their patronage. The total amount realized was \$78.60, which has been handed over to the treasurer of the Portuguese Association of Mutual Help by Mr. J. C. d'Almeida at the request of the promoter.

SMALL-POX.

Cases of Failure to Notify.

There were three cases of failing to notify small-pox cases before Mr. C. D. Melbourn at the Magistracy this morning.

In the first case, two women were charged with an offence at Henghong, one woman being a relation of the deceased and the other the principal tenant of the house. The latter said the patient was all right now.

Inspector Lamont said the patient had died on the 6th inst.

The woman said she meant that the patient was all right when she first came.

Inspector Lamont said the doctor thought the woman was recovering from small-pox, but a journey down from the country had made her worse.

One woman was fined \$25, the other being discharged with a caution.

In the second case, the defendant said he let a cook-loat to three men. They had a separate entrance, and he never saw them come in or go out. He did not know there was a case of small-pox.

He was discharged.

The third defendant's excuse was that he thought the patient was suffering from fever and not small-pox.

His Worship imposed a fine of \$25.

THE RACES.

More Training Gallops This Morning.

Owing to rain over-night, the ponies at the Racecourse this morning took the inside course when doing their gallops, and in consequence the going was on the heavy side. In spite of this fact, some very good times were recorded, as will be seen by the following list:—

Derby Griffins.

Herolini. One Mile.—38: 1.12 2/5; 1.47; 2.18 2/5; last quarter 31 2/5.

Victory. One mile.—37: 1.15; 1.52; 2.25; last quarter 33.

Glorious Pearl. Mile and a quarter.—39: 1.14; 1.51; 2.26; 2.58 2/5; last quarter 32 2/5.

Star of Orion. One mile.—36: 1.11 2/5; 1.48 1/5; 2.21 2/5; last quarter 35 1/5.

Capilano. One mile.—1: 1.14; 1.47 3/5; 2.19; last quarter 31 2/5.

Warriorini. One mile.—36: 1.39; 42.47; 93.94; 166, and 191. 32 3/5; last quarter 32 2/5.

Iron Duke. Last three-quarters.—35: 1.8 3/5; 1.41 1/5; last quarter 32 2/5.

Star of Orion. One mile.—36: 1.11 2/5; 1.48 1/5; 2.21 2/5; last quarter 35 1/5.

Russian Chief. One mile. 37 3/5: 1.13; 1.47; 2.19; last quarter 32.

Victory. Dahlia and Advance Dahlia. One mile.—39: 1.14 3/5; 1.49 3/5; 2.20 2/5; last quarter 31.

Hajji. Last three-quarters.—35: 1.7; 1.38 4/5; last quarter 32 4/5.

Formosa Chief. Last three-quarters.—33 4/5; 1.06; 1.38 4/5; last quarter 32 4/5.

Manear. Last half mile.—34 1/5; 1.05.

Tittlemouse. Mile and a quarter.—45: 1.12; 1.57 3/5; 2.32 2/5; last quarter 34 1/5.

Essex Chief. One mile.—37: 1.12 2/5; 1.46 2/5; 2.18 2/5; last quarter 32.

Sinosa. One mile.—35 2/5: 1.08 2/5; 1.40 3/5; 2.15; last quarter 34 2/5.

Warrior. One mile.—27 1/5: 1.15; 1.52; 2.26; last quarter 37.

Town Mouse and Brown Mouse. One mile.—37: 1.13; 1.47; 2.18; last quarter 31.

Jacobite. One mile.—37 2/5: 1.15; 1.61; 2.24; last quarter 33 2/5.

Subscription Griffins

Drum Clog. One mile.—36: 1.11 2/5; 1.46 1/5; 2.21 2/5; last quarter 35 1/5.

Mo. One mile.—46: 1.26; 2.04 3/5; 2.38 3/5; last quarter 32.

Drumstick. One mile.—38: 1.12; 1.47; 2.20 2/5; last quarter 33 2/5.

Moneybox. Last three-quarters.—39: 1.14 2/5; 1.47; last quarter 32 3/5.

Old King Cole, and Ambion. One mile.—39: 1.15; 1.50 2/5; 2.25; last quarter 34 3/5.

Hash Hash. One mile.—36: 1.10; 1.45; 2.18 3/5; last quarter 33 3/5.

Spalpeen. Last three-quarters.—34 3/5: 1.43.

Chieftain. One mile.—37: 1.12 2/5; 1.47 3/5; 2.21 2/5; last quarter 33 3/5.

Dixie. Last three-quarters.—35: 1.12 2/5; 1.46 1/5; 2.21 2/5; last quarter 33 3/5.

King Ben. Three quarters.—36: 1.07 3/5; 1.41 1/5; last quarter 33 3/5.

King Dick. Half mile.—31 3/5; 1.06 1/5.

Jadestone and Moonstone. One mile.—38: 1.15; 1.49 3/5; 2.24; last quarter 35 2/5.

Feldmouse and Dormouse. One mile.—35 3/5; 1.12; 35; 1.48; 2.20; last quarter 32.

Esk. One mile.—34 3/5; 1.08; 1.41 4/5; 2.14 2/5

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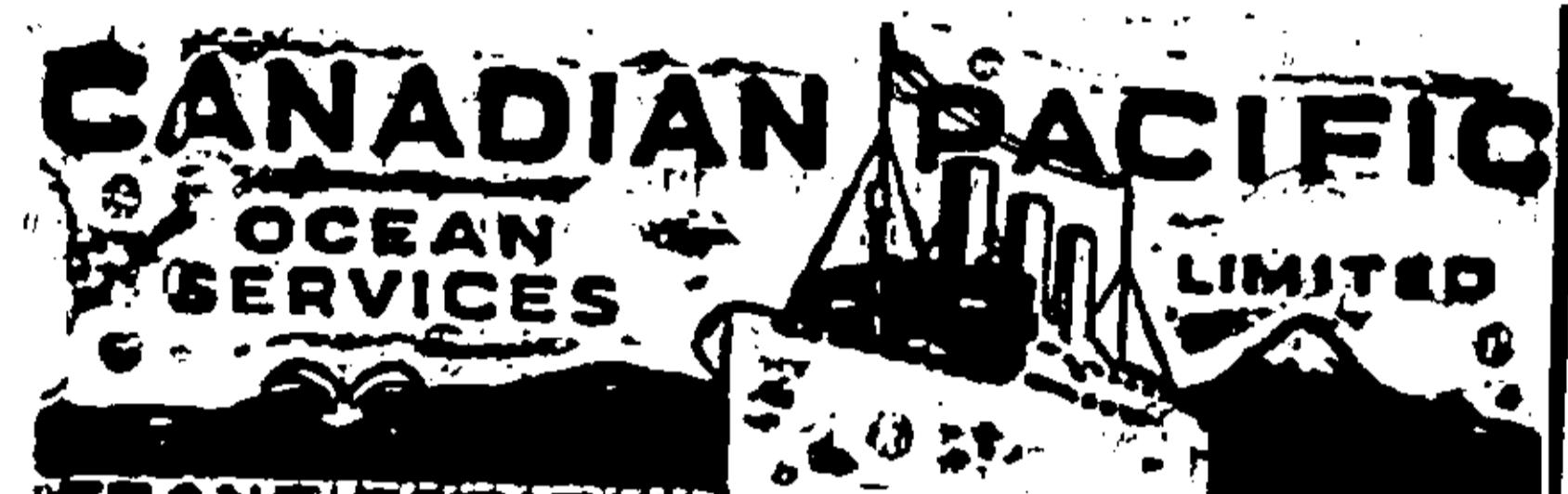
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SHANGHAI, Kobe, Ilyo Maru (Capt. Takano) T. 12,500	WEDNESDAY, 7th Feb. at 10 a.m.	
SHANGHAI, Kobe, Miyazaki Maru (Capt. Teranaka) T. 16,000	MON. 12th Feb. at 10 a.m.	
NAGASAKI, Kobe, Tango Maru (Capt. Soyeda) T. 13,500	SATUR. 10th Feb. at 10 a.m.	
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S.S. Tjondari 16th Feb. | S.S. Tjekengah 13th Apr.

Bintang 18th Mar. | Arakan 14th May.

ALL STEAMERS FITTED WITH WIRELESS TELEGRAPHY.

The steamers have accommodation for a limited number of saloon passengers and carry a duly qualified surgeon.

Cargo taken on through Bills of Lading to all Overland Points in the United States of America and Canada.

For particulars of Freight and Passage, apply to—

JAVA-CHINA-JAPAN LIJN.
Managing Agents.

Hongkong, York Buildings.

The above steamers are fitted with Refrigerating Machinery, ensuring a plentiful supply of Ice, Fresh Provisions, etc., and are lighted throughout with Electricity. All State-Rooms have Electric Fans. A duly qualified Doctor and Stewardesses are carried.

All Steamers Fitted with Wireless Telegraphy.

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SHIPPING

C. N. C.

CHINA NAVIGATION CO., LTD.

SAILINGS SUBJECT TO ALTERATION.

For Steamers. To Sail.

SHANGHAI ... Shantung ... 8th Feb. at 4 p.m.

NINGPO & SHANGHAI ... Wenchow ... 8th Feb. at 4 p.m.

SHANGHAI ... Yingchow ... 11th Feb. at 4 p.m.

HAIPHONG ... Sungkien ... 13th Feb. at 10 a.m.

SHANGHAI ... Chusan ... 13th Feb. at 4 p.m.

MANILA, CEBU & ILOILO Chishua ... 14th Feb. at noon.

SHANGHAI ... Sikiang ... 15th Feb. at 4 p.m.

MANILA, CEBU & ILOILO Taming ... 21st Feb. at noon.

DIRECT SAILINGS TO WEST RIVER. Twice Weekly.

S.S. "LINTAN" and S.S. "ANSUI."

SEMANA LINE. Twin Screw Steamers " " " " ".

" " " " " Excellent saloon accommodation amidships; electric fans fitted; extra staterooms on deck aft on " " " " ".

SHANGHAI LINE—PASSENGERS, MAIIS AND CARGO.

" " " " " with excellent accommodation, electric light and fans in State-Rooms and Saloon and State-Rooms maintain a regular schedule service between Canton, Hongkong and Shanghai, leaving Hongkong for Shanghai direct every Tuesday, Thursday and Sunday, taking cargo on through Bills of Lading to all Yangtze and Northern China Ports. Passengers are landed in Shanghai, avoiding the inconvenience of transhipment at Woosung.

For Freight or Passage apply to

BUTTERFIELD & SWIBER,
Telephone No. 36.
Hongkong Feb. 7, 1917.

SHIPPING NEWS.

N. Y. K. Japan-North China Services.

The Nippon Yusei Kaisha has decided to resume its Kobe-North China line for the present year on February 23 next, on which date a liner thereon is scheduled to leave Kobe for Newchwang and Taku, via Dairen. The Company's Yokohama-N. China line has been arranged to be re-opened on February 21 next, on which date the s.s. Sagami Maru is to leave Yokohama for the above-mentioned ports.

A Fatal Collision.

At 9 p.m. on Thursday the 18th instant, says the "Nagasaki Press," as the China Mail str. Chia was passing through the Shimoneoseki Straits, she collided with the O.S.K. Hanasaki Maru, which was towing five coal barges from Wakamatsu to Moji. The Osaka Shosen Kaisha vessel sank within a few minutes and several members of her crew are missing. A report of the accident was forwarded to Moji, and a salvage steamer was sent to the scene of the accident by the Yamashina Company at the port of the Osaka Shosen Kaisha. The International Mercantile Marine Co., New York City, is now making preparations for building four gigantic merchantmen of 32,000 tons class with a speed of 25 knots per hour.

China Coast Gazette.

Mr. R. H. G. Abby, chief officer, Niigata, is on leave. Mr. J. T. Croucher, chief officer, Foochow, has gone chief officer, Kiukiang. Mr. J. Richards, from special service, has gone chief officer, Taming. Mr. W. Shaw, second officer, Hoitow, has gone second officer, Tungchow. Mr. D. H. McMillan, second officer, Tungchow, has gone second officer, Hoitow. Mr. A. Herd, from reserve, has gone chief officer, Tungting. Mr. J. Pringle, chief officer, Tungting, has been transferred to Hongkong. Mr. N. W. Van Cort and, from reserve, has gone chief officer, Koosking. Mr. W. B. Williams, chief officer K onshing, has gone supernumerary officer, Tuckwo. Mr. W. Moore, second officer, Tuckwo, has gone acting chief officer, Kuwo. Mr. T. R. Sayle, chief officer Kultwo, is on leave. Mr. F. L. Hatchett, second officer, Loksang, has gone second officer, Onsang. Mr. H. F. Hurley, second officer, Mausang, has gone second officer, Loksang. Mr. W. McCarthy, second officer, Suisang, has gone chief officer, Onsang. Mr. D. B. Kilbee, second officer, Chiphing, has gone second officer, Suisang. Mr. C. Manley, chief officer, Tashun, has gone chief officer, Kiangteeng. Mr. W. Hetherington, chief officer, Kiangteeng, has gone chief officer. Tashun. Mr. J. W. Scott, chief officer, David Gillies, has resigned. Mr. G. E. Sawyer, second officer, Suisang, has resigned. Mr. O. Phillips has been appointed chief officer, Hotting. Mr. T. Cook, chief officer, Holming, has gone master, same ship. Mr. A. J. Weatherhead has been

TELEGRAMS.

[Reuter's Service to The "Telegraph."]

(Continued from Page 1.)

GERMANY AND NEUTRALS.

No Modification of Submarine Policy.

New York, February 6.—A message from the representative of the Associated Press at Berlin on February 4 says it is stated positively that the submarine warfare policy will not be modified. Germany is very keenly disappointed at President Wilson's message to the Foreign Office.

The representative's attention was drawn to the ancient treaty between the United States and Prussia guaranteeing their respective neutrals nine months in which to close up their businesses and quit the countries in case of hostility. He believed that Germany would respect the treaty, and there would be no question of the internment of Americans, numbers of whom were applying for permission to depart.

A Dutch Steamer Bombed.

London, February 5.—The Admiralty states that the Dutch steamer Gamma bound from New York to Amsterdam with a cargo of oil cake for the Netherlands Government met a German submarine on Thursday which opened fire on her with guns and subsequently sank her with bombs. It will be interesting to learn what distortion of International law Germany will employ in justification of this act.

Germany's Latest Role.

London, February 5.—A German wire service message received to-day announces the general satisfaction of the Dutch shipping world at the change of the boundary of the barred zone and the opening of a dangerous road. This is described as a new proof of Germany taking the interests of neutrals into consideration.

"Damn the Consequences."

London, February 6.—Indications are increasing that Germany is preparing to climb down. It is reported that negotiations are proceeding with neutrals with a view to further concessions. This is what is going on beneath the surface, and strikingly contrasts with the sword-rattling attitude of the German Press, which announces the rupture in large headlines and declares that it is not surprised as it has long been expected.

Some of the papers give a crumb of comfort by affecting to believe that the submarines will now have a free hand. They brazenly maintain that Germany has carried out all her promises towards America.

The semi-official "Lokalanzeiger" warns President Wilson that he is bringing a terrible responsibility upon his head; but that no threat will terrify Germany.

The "Koelnischer Zeitung" plainly tells President Wilson that his action will not deter Germany from doing what she likes, since Hindenberg has assured the nation that the military situation enables the people to say: "Damn the consequences" in connection with ruthless submarine.

Transferring Austro-German Crews.

New York, February 5.—The transfer of the crews of Austrian and German ships to immigration stations has begun.

America to Act on Principle.

Washington, February 5.—President Wilson, in a statement regarding the seizures of ships said: "We will do nothing that we have not a clear right to do, and when we act we will act on principle and not on expediency."

The President has issued a proclamation prohibiting American shipowners to transfer vessels to other sovereignty.

Provisions for the Allies.

Chicago, February 6.—Produce prices have advanced sharply, and the loading and shipping of provisions for the Allies continue as fast as they reach the seaboard.

POLICE INSPECTION.

Presentation of Long Service and Bravery Medals.

His Excellency the Governor (Sir Henry May, K.C.M.G.), held his annual inspection of the Hongkong Police Force this afternoon in the compound at the Central Police Station, when an opportunity was taken to present several long service and bravery medals.

The Force was under the Hon. Captain Superintendent of Police, (Mr. G. M. Meeuw), a number of other officers being on parade.

Long Service Medals were presented to:—

Chief Detective Inspector Murison.—Third-class medal, for good work on the Staff.

Inspector P. O'Sullivan.—Fourth-class medal, for long and faithful service. (Twenty years).

Inspector M. O'Sullivan.—Fourth-class medal, for long and faithful service. (Twenty years).

Inspector R. MacDonald.—Fourth-class medal, for long and faithful service. (Twenty years).

In addition to the above, a number of long service medals were presented to Indian and Chinese members of the force.

Medals for Bravery were presented to the following constables:—

Gurdit Singh, for saving two men, who had fallen into the harbour. The two men had fallen into the harbour on August 4, 1916, whilst they were fishing near to the P. & O. jetty. Toxostoma jumped into the water out of his depth, and was at once clinched by the two men, who dragged him under water. Finally, after the revolver in his possession

WAR CHARITIES.

Subscription List No. 12.

Already acknowledged ed...	196,888.57
General...	250
H. E. Sir Henry May, K.C.M.G. (Monthly, sub-January)	12.11
Collected from the boxes at Star Ferry Pier, Blake Pier and Peak Tram Station Hongkong. Cricket Club, proceeds of sale of tickets for the tennis match between Messrs. Church & Throck- morton v. Nuttel & Hancock...	300
"Pinlop"...	6
Mr. W. G. Ley, Swatow. (subscription for 2 months)	40
Mr. T. Carr, Ramsey Swatow, (subscription for 2 months)	10
Mr. S. Barker, Swatow, (subscription for 2 months)	20
Mr. F. H. Fisher, Swatow, (subscription for 2 months)	10
Mr. T. J. Edwards, Swatow, (subscription for 2 months)	20
Mr. W. Howard, Swatow, (subscription for 2 months)	10
Mr. J. H. R. Hance, Swatow, (subscription for 2 months)	20
Mr. P. B. Joly, Swatow, (subscription for 2 months)	20
"Cards"...	30
Pupils of St. Joseph's English College...	50
H. E. Sir Henry May, K.C.M.G. (Monthly subscription February)	250
Scholars of the Kow- loon British School	19.20
Mr. S. G. Newall...	30
Mr. Ho Wing...	50
Ojagar Singh (Mon- thly subscription)	5
Mr. H. Sykes (Monthly subscription)	20
Britishers...	100
Anonymous...	50
Mr. A. H. Compton Staff—Messrs. Lene Crawford & Co. (Monthly subscrip- tion)	100
Staff—Messrs. A. S. Watson & Co. Ltd. (Monthly subscrip- tion)	69
Monthly subscriptions Blinded Soldiers and Sailors Hospital:—	1,504.95
A. W. ...	15
Proceeds of football match—Civilians v. Services, on 23rd January, per Hon. Soc. Hongkong Football Association	106.43
Mr. H. Skott...	300
Meers, M. S. Saseen, R. A. Gubhay and E. Howard...	500
A. W. (monthly sub- scription)...	5
Meers, Patel and Co.	25
Mr. G. B. Denman Fuller...	238.01
Monthly subscriptions Officers Families Fund:—	20
Mr. H. B. L. Dowbiggin...	25
Anonymous...	500
Monthly subscriptions Prisoners of War:—	30
Mr. C. Thorpe...	50
Mr. L. M. Whyte...	20
C. D. M. F. \$100...	859.00
Mr. Frank Smith, Macao...	100
Pipe Fund:—	
Monthly Sub. A. S. (December)...	5
Mr. Bewick (Decem- ber)...	2
Ospt. G. B. Buyers (December)...	10
Bridge (December)...	1
A. S. (Monthly sub.— January)...	5
Bridge (Monthly sub.— January)...	3
E. H. H. (January)...	5
E. D. H. (January)...	25
Mr. F. G. Becke (monthly subscrip- tion)...	5
Red Cross...	5
Mahomed Ali...	100
Monthly subscrip- tions...	32.75
Lady Victoria Her- bert's Fund for Prisoners of War:—	
Some Members of the Hongkong Club...	

FOOTBALL GOSSIP.

Championship Chances.

With the end of the present season close at hand, Saturday's games became invested with a greater importance for the majority of the clubs participating, particularly so in the case of the Club and the R.E. The former were certainly not at their best against the gunners, who turned out what was probably their worst eleven this season. On their display the Club would not have taken two points from any other team in the senior division, but allowance must be made for the fact that they also were not so strongly represented as usual. With the exception of the K.S.L.I. all clubs appear to be experiencing some difficulty in turning out at full strength, which is, to say the least of it, unfortunate, for it is at the end of the season that one usually expects to see teams going "all out."

By their win on Saturday the Club still claim their place amongst the "possibles" for the championship of Division I, although the K.S.L.I. are more fortunately placed, having gained the same number of points with a match in hand. The sappers, who were in a most militant mood on Saturday, defeating the Navy by seven goals to nil, at present are leading the field, but it would be a risky thing to nominate the champions even at this late date. The championship of the Hongkong League would, without doubt, gladden many hearts in Wellington Barracks, for the sappers have yet to inscribe their names on that particular trophy, incidentally the only senior football trophy they have not won. May success attend their efforts this year, but there's many a slip etc.

In the Junior Division, the Staff and Departments met their Waterloo at the hands of the South China Athletic, to whom they lost by two goals to one. Both teams, prior to their meeting, had "hopes," consequently a good game was assured. The soldiers, by this defeat, have lost their chances for the championship and the Athletic must be congratulated on winning against so good a team. The Athletic, since they defeated the Japanese, have been fancied by many for the proud title of champions, and if they can maintain the form displayed on Saturday "A" and "D" Coys. of the K.S.L.I. will have to look to their laurels. Such a win would, without doubt, be most popular amongst the Chinese, who now take their football, like many other things, very seriously.

Kowloon and the Navy were engaged in a match which, whilst not affecting the championship, was of the utmost importance, for both teams are placed amongst the lowly ones and both are struggling hard to get as far away as possible from that unavoidable position at the bottom of the table, at present held by 87 Coy. R.G.A. Kowloon, defeated the sailors by two goals to one, but their position is by no means assured. The possibilities at both ends of the table are great. The remaining match, 83 Coy. R.G.A. v. Louisiana resulted in a win for the former 2-0. Both these teams early in the season showed great promise and much was expected of them by their respective supporters, but military duties and the claims of business have wrought havoc on both sides, with the inevitable result.

QUIZ.

Soldiers and Sailors Families Association:—	35
Monthly subscriptions...	
Earmarked amounts and amounts allo- cated and re- mitted...	\$203,126.41
Balance in hand...	188,350.00

N. J. STANES,
Hon. Treasurer
Hongkong Club.

LUK WING-TING.

Yet Another Report.

The Shanghai Shengpao reports:—Luk Wing-ting, the Military Governor of Kwangtung, has decided to resign, and General Chen Ping-keung, the Military Governor of Kwangsi, will proceed to Canton to ask him to remain in office.

On the 30th January Liu Ching-en, the Civil Governor of Kwangsi, wired to President Li Yuan-hung asking him to permit General Chen to proceed to Canton, as General Chen may be able to get the consent of General Lin Yung-ting to remain in his post. The President has sent the message to the Cabinet to ask the views of the Cabinet about it.

GERMANS IN BATAVIA.

Echo of a Hongkong Case.

According to a wire from Netherlands India, the Batavia Handelsblad has made public a Government order regretting the "irresponsible utterances" of the Assistant Resident of Buitenzorg in respect of the actions of Herr Helfrich and other Germans.

In this connection, the Telegraph remarks that the Assistant Resident of Buitenzorg, Mr.

Schaeck de Jong, is the first

Government official who has

acted officially to put an

end to the intrigues between

German, Arab, and fanatic

natives in Java.

According to the statements of witnesses, a

plot against the Dutch Government

was discovered at the begin-

ning of the present year, that had

been set on foot by two German

administrators of Buitenzorg

Estates, and in which one, Herr

Key, was involved, together

with a number of Arabs

and some Sarekat Islam

leaders. On one of these Estates

the German and Turkish flags

were displayed side by side, whilst

the administrator had everywhere

adopted Mohammedan customs. It

was asserted that at a meeting

of some thousand natives he had

been introduced as the future

sovereign of Java.

The German and Austrian inhabitants of Batavia in April addressed a petition to the Governor

General complaining of the

Assistant Resident and demand-

ing his punishment. Herr Helf-

rich, Manager of a Batavia

Estates Co., was at the head of

this movement. He is said to be

the man who sent a telegram

to a relation at the German

Foreign Office, for the conveyance

of which a pro-German Assi-

stant Resident who went to Java

to Europe, was held up at

Hongkong and fined \$200.

LANGKAT OUTPUT.

Meers, Benjamin and Poole

advise us that the Langkat output

is as follow:—

January 1	... Tons 89
" 2	... " 81</td

COMMERCIAL NEWS.

Rubber.

The Pataling interim dividend of 75 per cent., making a total to date of 145 per cent., on account of 1916, gave the market a welcome fillip before it closed for the holidays says *Truth* of December 27. The distribution compares with a total of 110 per cent. paid to the corresponding date last year, and shows how well the older companies are doing. Although the approach of the holidays had the usual effect of curtailing business in the share market, it was noticeable that sellers were scarce and shares were difficult to obtain. During the last two or three weeks I have referred to the success with which rubber directors were holding out for good prices in connection with forward contracts for 1917. Excellent examples of this are now furnished by Cluny, Lenadron, and Lsdbury. For the first six months of 1917 these companies have sold 30 tons, 48 tons, and 60 tons respectively at 2s. 9d. per lb. for delivery f.o.b. equal, say, to 3s. per lb., delivered London. Last week, in quoting a forecast made by a leading market authority as to the production and consumption of rubber for the years 1917-20, I remarked that the figures erred on the side of safety. The consumption estimates, it seemed to me, were reasonable, but the probable output was over-stated. This view, I find, agrees with that generally held in market circles. The forecast of production for 1920, for instance, was based on the assumption that the average yield from ten-year-old trees will be 400 lbs. per acre, and that trees of fifteen years should give 650 lbs. per acre. I contend that, although favoured estates have given the latter yield, the figures are too high to apply as an average to the whole of the 1,600,000 acres now under rubber in the Middle East. Some authorities hold that 300 lbs. per acre, when in full bearing, is all that can be expected as an average. In the well-known scale of Mr. H. T. Brice it is assumed that a good estate, when ten years old, will yield 400 lbs. per acre; and this figure was accepted as a fair maximum by the Rubber Growers' Association when arguing their case recently before the Board of Reference. Although, as a general rule, I regard a maximum of 400 lbs. as high enough, I have at times, in dealing with estates quite in the front rank, assumed a maximum yield of 500 lbs. per acre. As the question of yield is vital to all forecasts, I publish below an analysis of some actual results. The interesting table here reproduced showing the results obtained in Malaya in the year 1914 was prepared by the Rubber Growers' Association some months ago, and deserves more attention than it received at the time:—

Number of Estates.	Average Yield per Bearing Acre in 1914.	Highest Yield Acre.
Johore	6	338
Negeri Sembilan	14	366
Perak	13	300
Selangor	38	323
—	71	327

In scarcely a single case can it be said that these estates had reached full maturity; yet from a total area in bearing of over 62,000 acres an average yield was obtained of 327 lbs. per acre; and, curiously enough, 300 lbs. per acre instead of appearing as a maximum actually appears as a minimum. So far as Malaya is concerned we can dismiss the notion that 300 lbs. per acre when in full bearing is a fair average. My point is, however, that the authority whose figures I discussed last week erred in the other direction in assuming that 650 lbs. per acre would be obtained as a fair all-round maximum, and although his estimates of future demand may prove correct, I doubt whether by 1920 the world's crop of rubber will reach 312,000 tons. While I agree with the conclusion that a shortage of rubber is bound to come, I hold the view that the shortage will be felt before 1920. Both as regards the size of its issued capital and the extent of its planted-area Taiping ranks as the most important of the companies whose reports have appeared

during the week. A year ago Taiping entered the dividend list with a distribution of 12½ per cent. The figure is now increased to 20 per cent, but profits are shown equal to rather more than 24 per cent., the crop having yielded the very satisfactory profit of close on 1s. 8d. per lb. On the larger crop expected this year, the profit of only 1s. 3d. per lb. would suffice to maintain the 20 per cent. dividend, while 1s. 8d. per lb. would again give a earning equal to 24 per cent. The present dividend, therefore, should easily be maintained. Raub is a little company with an issued capital of only £20,000 and a cultivated area of 466 acres. Under its former title this estate had an appalling reputation, but with a new name, a small capital, and Messrs. Harrisons and Overseas acting as Eastern agents it has at length become quite respectable. Indeed, Raub now pays a dividend of 10 per cent. and shows earnings of more than double that figure. Almost the only hint given as to Raub's wildness during its early youth is to be found in the statement that "it is hoped to reclaim a further 100 acres out of the 412 acres previously planted and abandoned." Last year, as the result of past misdeeds, the company's working costs were high, but Raub in future will keep strictly to the paths of virtue. On its estimated crop for 1916-17 of 130,000 lbs. a profit of only 1s. per lb. would show earnings of 32 per cent.—a result calculated to stagger those who remember Raub under its original name of Sangei Liang. Earnings of £9,300 were reported by Trolak a year ago, when a dividend was paid of 20 per cent. Although the net revenue for 1915-16 rose to £21,485—equal to no less than 38 per cent. on the company's small capital of £25,000—the dividend remains at 20 per cent. In distributing less than one-fourth of the earnings the directors announced that they have during the year repaid out of profits a loan of £7,500. The company is very badly hit by the excess profits duty, and as its year ends on September 30 it becomes liable for duty in 1914 and has now to meet three years' liability. Trolak certainly is a hard case. The company was formed in 1908, and in ten years has paid a total of only 50 per cent. This is a miserable return on a rubber share, but a company that in one year earns 85 per cent. and is still increasing its output

as an average to the whole of the market locally. The bulls further contend that arrivals of cotton in the interior marts have fallen off considerably, being ruled to a great extent by the holding policy on the part of the farmers, who have from past experience shown that their financial situation leaves nothing to be desired. In the circumstances, therefore, further developments will be watched carefully by the market principally due to continued and increased purchases from the United States. It is not other buyers are advised to act generally expected that this cautiously. Tone of the market, activity will suffer any decline in quiet.

The Steel Trade.

Pittsburgh, December 29.—

The general temper of the steel

market has been clearly disclosed in the past week. There has been an almost complete absence of inquiry for steel for the late deliveries, say for the third or fourth quarter of 1917, while on the other hand there has been as much inquiry as usual for the early deliveries, prompt and first quarter, involving all materials, finished steel, unfinished steel, pig iron, and coke. To whatever the sudden slowing down in the market in the second week in December should be attributed, the fact is clearly established that all buyers are very conservative as to the more distant future, while on the other hand they are strenuously engaged in the business of the present and immediate future, and faced with the most serious transportation difficulties since the great railroad blockade of 1902-3, they are making increased effort to provide themselves with all necessary materials for conducting their business in the next few months. Prices for forward delivery are all well maintained. There would be absolutely no incentive to reduce them. Prices for prompt deliveries of finished steel are even stiffening. Spot coke has sold at fancy prices, above \$10 G. a ton, while contracts in force, and on which insufficient deliveries are being made, range generally from \$2.25 to \$2.75. Blast furnaces banked on account of lack of coke number between two and three dozen, cutting down the country's rate of pig-iron production by something like 15 per cent. The restriction is chiefly among Pittsburgh, valley, and lakefront furnaces. The output of finished steel is not reduced as much, but rather by about 10 per cent.

Java, Japan and Coal.

According to a telegram received in Japan by the Mitsubishi Bussan Kaisha on January 18 the Indian Government has prohibited the export of coal to Java. The telegram mentions no reason for the measure, but it is assumed that it has been taken to conserve supplies in India. Java has hitherto imported quite a large quantity from India, and it is expected that the Indian prohibition will produce a further increase in the demand for Japanese coal. According to the latest investigations, says the *Japan Chronicle*, the total output of coal in Japan last year amounted to 23,000,000 tons, of which 2,500,000 tons were exported, the remainder being consumed in the country. Of the total domestic consumption, 2,300,000 tons, or just 10 per cent. of the total output, was consumed in Osaka, where the largest consumption was shown by spinning industries, amounting to 40,000 tons, followed by electric and gas enterprises, coke furnaces, etc.

New Salvage Company. According to the *Osaka Asahi*, the Kawasaki and Mitsubishi Dockyards, Yamashina Engineering Works, Kobe, and Morita Mantsu & Co. are jointly engaged on the establishment of a company with a capital of Y5,000,000 to undertake the salvaging of wrecks. The head office will be established in Tokio and a branch office in Shanghai.

Another Dye Material. The high price and scarcity of dyes have inspired many a manufacturer to experiment to find some successful means of production. News from Shimane Prefecture, Japan, says that a new process of obtaining dyes from vegetables has been found. The experimenter in Shimane has found a means to extract various coloured dyes from chrysanthemum. He has obtained a patent and is now establishing a factory under a corporation. Besides, according to the *Japan Advertiser's* information, he has found another dye material from wild plants which cannot serve as fodder for animals. The extract from these is somewhat similar to indigo. It is feared that the materials produced under low cost of production will kill the industry after the war, but the case of the near-indigo is an exception. He believes that vegetable indigo is better than artificial indigo to serve as dyestuffs, and will survive no matter how much cheap artificial indigo may be produced.

Sharp Rise of Silk. The activity on the export market in Yokohama for raw silk towards the end of last year caused an increased buoyancy. Immediately upon the turn of the month prices advanced by Y.30 on January 4, and further by Y.10 on January 16, in spite of the advance sales continued favourable and amounted during the following four days to no less than 460,000 kio. Large sales naturally reduced stocks, which were again sent up by Y.20, quotations for No. 1 best Shinbu rising to Y.1,200. At these quotations about 70,000 kio changed hands. The sustained activity on the raw silk export market is principally due to the earnings the directors announced that they have during the year repaid out of profits a loan of £7,500. The company is very badly hit by the excess profits duty, and as its year ends on September 30 it becomes liable for duty in 1914 and has now to meet three years' liability. Trolak certainly is a hard case. The company was formed in 1908, and in ten years has paid a total of only 50 per cent. This is a miserable return on a rubber share, but a company that in one year earns 85 per cent. and is still increasing its output

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generally expected that this cautiously. Tone of the market, activity will suffer any decline in quiet.

Whether, during the war period, and with the continuance of abnormal war trade, the relationship announced this week between the Federal Reserve Bank of New York and the Bank of England will have an important bearing on gold movements or foreign exchange, is something on which doubt is expressed in Wall Street, says the *New York Evening Post*. The connection with the English Bank was made under that section of the Federal Reserve act which permits the Reserve Banks to "open and maintain banking accounts in foreign countries, appoint correspondents, and establish agencies in foreign countries." The relationship with the Bank of England may have important results hereafter in the international money market. Investment by one financial market in the discount paper of another is one of the familiar financial practices of Europe. How heavy such operations may become is shown by the following, written in January, 1903, to the *New York Commercial and Financial Chronicle* by its London correspondent:—"Ever since 1898, when French bankers began to fear a crisis in Germany, they have greatly increased the amounts of money they have been employing in London, until according to the best estimates that can be formed, in the summer of the year just ended, there was French money employed here of between 30 and 40 millions sterling." The preceding year, the same correspondent had written that the case of the London money market had been due to "the immense balances employed in London by the leading French banks."

Reserve Banks and Europe.

HONGKONG SHARE REPORT.

Japan's Gold Specie.

Since the outbreak of the war Japan's gold specie has been steadily increasing, but a temporary decrease is now shown owing to some special causes, such as the delivery of funds subscribed to the British Yen Exchequer Bonds recently issued in Japan and the transport of gold to India necessitated by the British restriction of the issue of Council Bills (since withdrawn). According to the latest investigations made by the Department of Finance, the total gold specie of Japan on the 13th instant amounted to Y.709,000,000, showing a decrease of Y.5,000,000 on the figures at the end of last year. Of the total amount Y.22,000,000 was held at home and Y.488,000,000 abroad, and the decrease in the former amount ed to Y.4,000,000 and in the latter to Y.1,000,000.

Chinese Cotton.

The weekly cotton market report of Messrs. J. Spunt and Co., dated Shanghai February 1, states:—"The reopening of the market after the Chinese new year holidays has been quite disappointing to those with bullish ideas, as the conditions are such that do not give much encouragement to further aggressive views. The market is at present absolutely lifeless, mostly due to the stagnancy in the money market which has so far shown little or no signs of improvement. The situation is further accentuated by the rise in the price of silver, which precludes possible chances of business with Japanese spinners. On the other hand the country is reported to be very sparsely provided with yarn and dealers are expected to come forward sooner or later when it is confidently expected by the Chinese merchants that some movement will take place in the market locally. The bulls further contend that arrivals of cotton from the interior marts have fallen off considerably, being ruled to a great extent by the holding policy on the part of the farmers, who have from past experience shown that their financial situation leaves nothing to be desired. In the circumstances, therefore, further developments will be watched carefully by the market principally due to continued and increased purchases from the United States. It is not other buyers are advised to act

generally expected that this cautiously. Tone of the market, activity will suffer any decline in quiet.

BANKS.

S-SELLERS; SA-SALES;
B-BUYERS; N-NOMINAL.

OFFICIAL PRICES.

BANKS.

Banks n. \$720

MARINE INSURANCES.

Cantons n. \$375

North-Chinas n. t. 150

Unions n. \$300

Yangtze n. ex 75 \$255

FIRE INSURANCES.

China Fires n. \$155

H.K. Fires n. \$367

SHIPPING.

Douglases n. \$116

Steamboats b. \$204

Indos (Def.) sa. \$123

Indos (Pref.) n. \$413

Shells n. 106

Ferries b. \$38

REFINERIES.

Sugars s. & ea. \$126

Malabons b. \$89

MINING.

Kailans n. 36

Langkats b. t. 20

Raubs s. \$240

Tronohs n. 31/6

Urals n. 32/9

DOCKS, WHARVES, GODDOWNS, & C.

H.K. Wharves sa. \$86

Kowloon Docks b. \$125

Shai Docks s. t. 87

LANDS, HOTELS AND BUILDINGS.

Centrals n. \$93

H.K. Hotels s. \$112

Land Invest. n. \$91

H'phrys Est. b. \$7

K'loon Lands s. \$35

Shai Lands n. t. 86

West Points s. \$73

COTTON MILLS.

Ewos n. t. 145

Kung Yiks s. t. 131

Shai Cottons n. t. 118

Yangtzeopos n. t. 51

MISCELLANEOUS.

Borneos n. \$8.00

China Light & P. b. \$6.00

Providents s. \$8.90

Dairy Farms n. \$251

Green Islands s. \$11.60

H.K. Electrics b. \$49

H.K. Ice Co. n. \$160

Ropes n. \$34

Steel Foundries n. \$35

Trams, Low Level n. \$7.50

Trams, Peak old n. \$10

Trams, Peak, new n. \$1

Laundries n. \$84

U. Waterboats b. \$15/4

Watsons b. \$62

Wm. Powells s. \$6

Morning Posts n. \$29

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